

THE COMMONWEALTH OF MASSACHUSETTS

EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS



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An Economic Snapshot of the Massachusetts Winery Industry - July 2011

There are over 6,200 wineries in the United States, many of them gaining international attention from wine lovers for the fine quality of their wine, including 40 in the Bay State. Of the 40 licensed wineries in Massachusetts, 36 produce wine and hard cider. These Massachusetts wineries produce and sell product made from viniferous and cold hearty grapes, as well as a variety of fruit including apples, cranberries, peaches and blueberries that are savored by consumers across the Bay State and the country.

MA wine and hard cider production and sales have increased

Despite a difficult economic climate, the Massachusetts wine industry grew, with both increases in production and sales. In 2010, Bay State wineries hand-crafted and bottled over 134,724 gallons of still, sparkling wine and hard apple cider, compared to 111,446 gallons in 2007, an increase of 21%.

Some \$9.3 million in sales were generated in 2010, an increase from \$7.8 million in 2007. Hard cider production added over 30,000 gallons since the last survey, significantly contributing to the overall growth of the Bay State's industry. Direct sales to consumers represented approximately 66% of farm winery sales in Massachusetts. The remaining 34% of the sales were wholesale, part of the three-tier system of distribution in Massachusetts. Twenty-six wineries in the state have tasting rooms and are open to visitors.

MA wineries are increasing in number

The wine industry in Massachusetts has been growing. In 2010, there were 36 wineries producing wine and hard cider, seven more than in 2007, and triple the number in 1994. New wineries include: *Issaks of Salem, Salem; Green River Ambrosia, Greenfield; Mineral Hills Winery, Florence; Still River Winery, Harvard; Travessia, New Bedford; Willow Spring, Haverhill; and Zoll Cellars, Shrewsbury*. Wineries that have gone out of business include *Broad Hill Vineyards, Holliston; Chester Hill Winery, Chester; Chicama Vineyards, Martha's Vineyard; and Neponset Winery, Needham*.

MA winery businesses are small

Four Massachusetts businesses produced over 10,000 gallons each. 16 wineries produced between 500 – 10,000 gallons. The remaining wineries produced less than 500 gallons each. In 2010, there were ten wineries that produced less than 500 gallons of wine, compared to 2007 when there were four. These wineries include the new businesses that have opened in the last few years.

MA winery businesses maintain open space

Massachusetts farm wineries maintain open space and agricultural resources in the Commonwealth. Over 1,842 acres of open space are maintained with 439 acres devoted exclusively to grape or fruit production to make wine. That compares to 1994 when wineries held only 600 acres of open space.

MA winery industry strong despite economic downturn

Massachusetts wineries employ some 205 people. There has been a shift in the number of employees from full-time to more part-time positions. As of 2010, there were 205 employees (77 full-time and 128 part-time employees), compared to 2007 when there were 178 employees (144 full-time and 34 part-time employees). This shift to more part-time hires mirrors the economic climate, but nonetheless the total number of people hired in the industry as a whole has increased.

Future

Recent legislation allows wineries to sell at farmers' markets across the Commonwealth. To date, some 16 wineries have applied to sell at over 57 farmers' markets, receiving strong positive reviews from shoppers and allowing farm wineries to work toward more sustainable businesses with this new direct marketing opportunity.

The ability for farm wineries to sell directly to consumers through e-commerce has also helped the wine industry. There are currently 13 wineries who offer direct shipping from their websites and which consider this an important success factor for their overall business.

The national average per capita consumption of wine is about 2.54 gallons per year. There has been a growth of 4.8% per year in per capita consumption across the country. Massachusetts consumers rank 7th in the nation for per capita consumption at 4.9 gallons per year, nearly double the national average. The Massachusetts appreciation of wine, consumer interest in local product, and direct marketing opportunities bode well for the future.

Summary 1994 - 2010

Year	2010	2007	2005	1998	1994
Number of wineries producing wine	36	29	22	15	12
Total sales (millions)	\$9.34	\$7.80	\$6.54	\$3.92	\$2.28
Gallons produced	134,724 (ABCC)	111,446 (ABCC)	95,688.23 (ABCC)		
Total acres	2,209	2,425	1,862	700	600
Acres for grapes/fruit	521	500	478	114	NA
Employees	205	178	182	NA	NA
Full time vs. part time	77:128	144 : 34	90 : 92	NA	NA
Wholesale vs. retail sales	34% : 66%	29% : 71%	37% : 63%	NA	NA

This survey was conducted by the MA Department of Agricultural Resources, Division of Agricultural Markets. Information on gallons produced is based on reports from the Massachusetts Alcohol Beverage Control Commission.